

## Fund 309

### Metro Operations and Construction

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#### Board of Supervisors' Adjustments

*The following funding adjustments reflect all changes to the FY 2005 Advertised Budget Plan, as approved by the Board of Supervisors on April 26, 2004:*

- ◆ The Board of Supervisors made no adjustments to this fund.

#### Focus

Fund 309, Metro Operations and Construction, contains the funds provided by Fairfax County to pay the County's allocated portion of the Washington Metropolitan Area Transit Authority's (WMATA) FY 2005 operating and capital budget. The County subsidizes Metrorail, Metrobus, and MetroAccess (paratransit) service, contributes to construction costs associated with the 103-mile Metrorail system, and contributes to the repair, maintenance, rehabilitation, and replacement of capital equipment and facilities for the Metrobus, Metrorail, and MetroAccess systems.

The WMATA budget presented here is based on initial FY 2005 information obtained from WMATA budget staff, as well as County Department of Transportation (DOT) staff estimates. The WMATA General Manager issued the proposed FY 2005 WMATA budget in December 2003, and the WMATA Board Budget Committee is in the process of reviewing the proposed budget between January and May 2004. After this period of review, the WMATA Board of Directors will adopt the FY 2005 Budget in June 2004. The budget guidance given to WMATA's General Manager noted that the FY 2005 budget expenses shall not exceed a 7 percent increase over the FY 2004 expenses and the overall operating subsidy shall not exceed a 4.5 percent increase over FY 2004. A combination of cost reductions and revenue increases will be considered to balance the budget. While some of the cost reductions have already been identified, any fare change must have public hearings and be approved by the WMATA Board of Directors. In FY 2004, the base fare was raised from \$1.10 to \$1.20 for Metrobus and Metrorail to cover a funding shortfall. If there is another fare increase in FY 2005, the public hearing process will occur in early 2004, and the anticipated fare increase will begin in July 2004.

The County's portion of the total WMATA budget is determined by using several formulas that include factors such as jurisdiction of residence of passengers, number of stations located in a jurisdiction, the amount of service in a jurisdiction, the jurisdiction's population, and the jurisdiction's population density.

Applied State Aid, Gas Tax Receipts, and State Transportation Bond Revenues are identified in Fund 309, Metro Operations and Construction, even though these funds are not directly received or disbursed by the County. These funds are used by Fairfax County to offset the County's share of WMATA's operating and capital costs. The County contributes a General Fund Transfer to Fund 309 to cover the remaining Operating Expenditures and General Obligation Bond revenues to cover the remaining Capital Construction Expenditures. These categories are summarized below.

## Fund 309

### Metro Operations and Construction

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#### **Operating Expenditures**

The total FY 2005 Fairfax County requirement (subsidy) for WMATA Operating Expenses totals \$53.8 million, of which \$27.2 million will be supported by local funding sources. This funding level supports:

- Existing Metrorail and Metrobus service levels. The funded level includes a 4.5 percent inflation factor applied to the WMATA FY 2004 Carryover Budget and covers increased subsidy requirements associated with the 50 percent phase in of the 2000 census population data into the allocation formulas (this is the second year of the two year phase in, which began in FY 2004)
- Annualization of bus services started during FY 2004 by WMATA
- Increased funds for MetroAccess due to increased utilization of these Americans with Disabilities (ADA) paratransit services
- Continuation of the Springfield Circulator Bus Service started in FY 2001
- Other service enhancements

As noted above, this estimate is based on preliminary FY 2005 information obtained from WMATA budget staff, as well as County Department of Transportation (DOT) staff estimates, and is subject to revision until the final WMATA budget is approved in June 2004.

On the basis of a Northern Virginia Transportation Commission (NVTC) formula, the County receives State Aid and Gas Tax Receipts to support operating requirements. In FY 2005, a total of \$26.4 million in State Aid and \$10.6 million in Gas Tax Receipts will be used to support the various Operating Expenses noted above. In addition, \$0.3 million will be funded from interest on funds at NVTC, and \$0.1 million will be transferred from Fund 301, Contributed Roadway Improvement Fund, to support shuttle service in the Franconia/Springfield area. An additional \$18.1 million is funded through a General Fund Transfer which is an increase of \$5,872,106 over FY 2004 primarily as the result of the use of one time balances in FY 2004. It should be noted that as a result of changes in the NVTC funding formula that became effective in FY 2000, State Aid and Gas Tax funds allocated to Fairfax County are higher than they would have been under the old formula. When the formula was updated, the Northern Virginia Transportation Commission required that additional formula funds that resulted from the change could be used only for transit service enhancements, and could not be used to reduce the General Fund Transfer for current Operating Expenses. The FY 2005 amount attributable to the formula change is \$1.6 million which will be transferred from Fund 309 to Fund 100, County Transit Systems, for various FAIRFAX CONNECTOR service enhancements.

#### **Capital Construction Expenditures**

An amount of \$29.3 million is required for Capital requirements, of which \$14.8 million is supported by Fairfax County General Obligation Bonds. The remaining total is funded through Virginia Transportation Act (VTA) 2000 funds, State Aid, and Gas Tax Receipts. Capital expenditures support the completion of the 103-mile Metrorail system, as well as maintain and/or acquire facilities, equipment, rail cars, and buses.

FY 2005 Capital Expenditures include \$13.7 million for the Infrastructure Renewal Program (IRP), a program which includes the rehabilitation of the railcar fleet, upgrades to Metrorail system components such as fare gates and farecard machines, improvements to Metrobus and Metrorail facilities, and funding for all capital equipment. It is anticipated that this amount will continue to increase in future years. The System Access Program (SAP) requires \$12.0 million, primarily to fund Fairfax County's share of the purchase cost of new railcars and buses. An additional \$0.4 million is included to support preliminary engineering requirements associated with the System Expansion Program (SEP) and \$3.2 million is included to fund Adopted Regional System (ARS) debt service requirements.

# Fund 309

## Metro Operations and Construction

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### FY 2005 Funding Adjustments

*The following funding adjustments from the FY 2004 Revised Budget Plan are necessary to support the FY 2005 program:*

- ◆ **Metro Annual Operating Requirements** **\$53,837,631**  
The FY 2005 subsidy requirement for WMATA Operating Expenses totals \$53,837,631, of which \$27,169,800 will be supported by local funding sources. This estimate is based on initial FY 2005 information obtained from WMATA budget staff, as well as County Department of Transportation (DOT) staff estimates. This funding level supports existing Metrorail and Metrobus service levels and includes a 4.5 percent inflation factor. Of this total, \$28,158,385 reflects the subsidy requirement for Metrobus and \$19,424,180 reflects the subsidy requirement for Metrorail. This funding also includes \$5,158,538 for MetroAccess service, \$731,952 for the continuation of the Springfield Circulator Bus Service, and \$364,576 for the annualization of service enhancements initiated by WMATA in FY 2004.
  
- ◆ **Metro Capital Requirements** **\$29,268,928**  
FY 2005 capital construction expenditures total \$29,268,928, of which \$14,800,000 will be supported by Fairfax County bond funds. Capital expenditures are included to rehabilitate facilities, equipment, and buses and to support the 103-mile Metrorail system. An amount of \$13,700,000 reflects the subsidy requirement for the Infrastructure Renewal Program (IRP), which supports the rehabilitation of the railcar fleet, upgrades to Metrorail system components such as fare gates and farecard machines, improvements to Metrobus and Metrorail facilities, and funding for all capital equipment. It is anticipated that this amount will continue to increase in future years. Funding of \$12,000,000 is included for the System Access Program (SAP), which seeks to address bus and rail access and capacity issues. This funding supports Fairfax County's share of the purchase cost of new railcars and buses. Funding of \$400,000 is included for the System Expansion Program (SEP), which will support preliminary engineering requirements concerning the expansion and extension of the existing Metrorail system. Finally, an amount of \$3,168,928 is included to fund Adopted Regional System (ARS) debt service requirements.
  
- ◆ **Transfer to Fund 100, County Transit Systems, for Transit Enhancements** **\$1,635,020**  
An amount of \$1,635,020 is transferred to Fund 100, County Transit Systems, as a result of increased State Aid and Gas Tax receipts due to a funding formula change that became effective in FY 2000. These funds will be used for various mass transit enhancements such as expanded bus service in the Route 1 Corridor.

### Changes to FY 2004 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2004 Revised Budget Plan since passage of the FY 2004 Adopted Budget Plan. Included are all adjustments made as part of the FY 2003 Carryover Review and all other approved changes through December 31, 2003:*

- ◆ **Carryover Adjustments** **(\$5,525,150)**  
As part of the FY 2003 Carryover Review, FY 2004 disbursements are decreased \$5,525,150 based on anticipated requirements in FY 2004 for transit needs, including capital costs, rail system enhancements, and facility improvements. The fare increases on Metrobus, Metrorail and parking have reduced the subsidy requirements for Fairfax County below those originally anticipated in FY 2004. Of this amount, \$2,777,695 is in General Fund support.

*The following funding adjustments reflect all approved changes to the FY 2004 Revised Budget Plan from January 1, 2004 through April 19, 2004. Included are all adjustments made as part of the FY 2004 Third Quarter Review:*

- ◆ The Board of Supervisors made no adjustments to disbursements in this fund.

# Fund 309

## Metro Operations and Construction

### Key Performance Measures

#### Objectives

- ◆ To maintain the annual number of trips taken on Metrobus routes serving Fairfax County at a total of 9,272,000 in FY 2005.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate/Actual	FY 2004	FY 2005
<b>Output:</b>					
Trips originating in Fairfax County	8,550,000	9,000,000	9,180,000 / 9,159,750	9,272,000	9,272,000
Metrobus routes	87	87	87 / 87	87	87
Metrobus platform hours	335,649	348,063	355,024 / 354,241	383,285	391,493
Metrobus platform miles	5,964,412	6,150,828	6,273,844 / 6,260,005	6,773,256	6,918,305
<b>Efficiency:</b>					
Operating costs	\$27,543,074	\$29,527,915	\$30,155,125 / \$30,100,306	\$33,529,544	\$35,788,717
Farebox revenue	\$2,665,930	\$3,459,351	\$4,314,600 / \$4,635,399	\$5,192,320	\$5,192,320
Operating subsidy	\$24,877,144	\$27,649,107	\$25,840,525 / \$25,464,907	\$28,337,224	\$30,596,397
Operating cost/platform mile	\$4.62	\$4.80	\$4.81 / \$4.81	\$4.95	\$5.17
Operating cost/platform hour	\$82.06	\$84.83	\$84.94 / \$84.97	\$87.48	\$91.42
Revenue as a percent of operating cost	9.68%	11.72%	14.31% / 15.40%	15.49%	14.51%
Operating subsidy per Metrobus trip	\$2.91	\$3.07	\$2.81 / \$2.78	\$3.06	\$3.30
<b>Outcome:</b>					
Percent change in Fairfax County trips	5.3%	5.3%	2.0% / 1.8%	1.0%	0.0%

### Performance Measurement Results

Fairfax County Metrobus trips originating in Fairfax County have increased an average of 4.2 percent over the past three fiscal years because of factors such as population growth and traffic congestion and are projected to increase 1.0 percent from FY 2003 to FY 2004 and are projected to stay at that level in FY 2005. It should be noted that starting with the FY 2003 Adopted Budget Plan, performance data was been adjusted to reflect figures consistent with jurisdictional data provided by WMATA. As a result, actual data for FY 2001 may be different from that published in previous budget documents.

# Fund 309

## Metro Operations and Construction

### Key Performance Measures

#### Objectives

- ◆ To increase the number of Metrorail trips originating in Fairfax County by 1.6 percent from 28,435,000 in FY 2004 to 28,890,000 in FY 2005.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate/Actual	FY 2004	FY 2005
<b>Output:</b>					
Fairfax County ridership	24,900,000	24,700,000	25,441,000 / 27,599,000	28,435,000	28,890,000
<b>Efficiency:</b>					
Operating costs	\$58,512,000	\$62,669,552	\$66,432,345 / \$65,692,000	\$68,365,000	\$73,226,000
Farebox revenue	\$38,696,000	\$43,826,000	\$46,195,000 / \$46,392,000	\$47,355,000	\$49,439,000
Operating subsidy	\$19,817,000	\$18,843,552	\$20,237,345 / \$19,300,000	\$21,010,000	\$23,787,000
Revenue as a percent of operating cost	66.13%	69.93%	69.54% / 70.62%	69.27%	67.52%
Operating subsidy per Metrorail passenger	\$0.80	\$0.76	\$0.80 / \$0.70	\$0.74	\$0.82
<b>Outcome:</b>					
Percent change in Fairfax County ridership	1.6%	(0.8%)	3.0% / 11.7%	3.0%	1.6%

### Performance Measurement Results

Fairfax County Metrorail ridership increased from 24,700,000 riders to 27,599,000 riders in FY 2003. This impressive 11.7 percent increase is because of factors such as population growth and traffic congestion. It is unlikely that this rate of increase is sustainable, therefore the Department projects an increase of 3.0 percent from FY 2003 to FY 2004 and an increase of an additional 1.6 percent in FY 2005. It should be noted that starting with the FY 2003 Adopted Budget Plan, performance data has been adjusted to reflect figures consistent with jurisdictional data provided by WMATA. As a result, actual data for FY 2001 may be different from that published in previous budget documents.

# Fund 309

## Metro Operations and Construction

### FUND STATEMENT

Fund Type G30, Capital Project Funds

Fund 309, Metro Operations and Construction

	FY 2003 Actual	FY 2004 Adopted Budget Plan	FY 2004 Revised Budget Plan	FY 2005 Advertised Budget Plan	FY 2005 Adopted Budget Plan
<b>Beginning Balance</b>	<b>\$16,562,358</b>	<b>\$2,130,340</b>	<b>\$8,433,732</b>	<b>\$6,161,107</b>	<b>\$1,211,107</b>
Revenue:					
Revenue Applied to Operating Expenses					
State Aid Applied to Operating	\$25,432,949	\$26,473,151	\$23,870,696	\$26,417,831	\$26,417,831
Gas Tax Revenue Applied to Operating	10,948,889	10,550,000	10,550,000	10,550,000	10,550,000
Prior Year Adjustments	986,958	5,173,861	5,173,861	0	0
Interest	1,100,000	400,000	400,000	250,000	250,000
Subtotal - Revenue Applied to Operating	\$38,468,796	\$42,597,012	\$39,994,557	\$37,217,831	\$37,217,831
Revenue Applied to Capital Construction					
State Aid Applied to Rail Reliability	\$844,680	\$799,680	\$799,680	\$1,000,000	\$1,000,000
State Aid Applied to ARS Debt Service	3,010,481	3,010,481	3,010,481	3,010,481	3,010,481
VTA 2000 Bonds Applied to Capital Construction <sup>1</sup>	0	4,950,000	0	4,950,000	9,900,000
NVTD Bonds Applied to Capital Construction	0	5,000,000	5,000,000	0	0
Gas Tax Rev. Applied to ARS Debt Service	158,447	158,447	158,447	158,447	158,447
System Improvement/ Expansion	404,000	545,000	400,000	400,000	400,000
System Access Program	42,500	0	0	0	0
Subtotal - Revenue Applied to Capital Construction	\$4,460,108	\$14,463,608	\$9,368,608	\$9,518,928	\$14,468,928
County Bond Sales <sup>2</sup>	\$0	\$2,919,980	\$0	\$13,588,893	\$13,588,893
Total Revenue	\$42,928,904	\$59,980,600	\$49,363,165	\$60,325,652	\$65,275,652
Transfers In:					
General Fund (001)	\$12,272,714	\$12,272,714	\$12,272,714	\$18,144,820	\$18,144,820
Contributed Roadway Improvement Fund (301)	110,000	110,000	110,000	110,000	110,000
Total Transfers In	\$12,382,714	\$12,382,714	\$12,382,714	\$18,254,820	\$18,254,820
<b>Total Available</b>	<b>\$71,873,976</b>	<b>\$74,493,654</b>	<b>\$70,179,611</b>	<b>\$84,741,579</b>	<b>\$84,741,579</b>

# Fund 309

## Metro Operations and Construction

### FUND STATEMENT

#### Fund Type G30, Capital Project Funds

#### Fund 309, Metro Operations and Construction

	FY 2003 Actual	FY 2004 Adopted Budget Plan	FY 2004 Revised Budget Plan	FY 2005 Advertised Budget Plan	FY 2005 Adopted Budget Plan
Expenditures:					
Operating Expenditures					
Bus Operating Subsidy	\$25,464,907	\$26,547,027	\$26,945,823	\$28,158,385	\$28,158,385
Rail Operating Subsidy	20,138,710	20,374,378	18,587,732	19,424,180	19,424,180
ADA Paratransit - Metro	3,585,417	5,428,700	4,936,400	5,158,538	5,158,538
Service Enhancements	0	364,576	364,576	364,576	364,576
Springfield Circulator	30,294	700,433	700,433	731,952	731,952
Subtotal - Operating Expenditures	\$49,219,328	\$53,415,114	\$51,534,964	\$53,837,631	\$53,837,631
Capital Construction Expenditures					
Capital Rail Contribution	\$1,265,820	\$0	\$0	\$0	\$0
System Expansion Program	404,000	545,000	400,000	400,000	400,000
Infrastructure Renewal Program	7,809,244	12,300,000	12,200,000	13,700,000	13,700,000
System Access Program	137,500	3,500,000	100,000	12,000,000	12,000,000
ARS Debt Service	3,168,928	3,168,928	3,168,928	3,168,928	3,168,928
Subtotal - Capital Construction Expenditures	\$12,785,492	\$19,513,928	\$15,868,928	\$29,268,928	\$29,268,928
Total Expenditures	\$62,004,820	\$72,929,042	\$67,403,892	\$83,106,559	\$83,106,559
Transfers Out:					
County Transit Systems (100)	\$1,435,424	\$1,564,612	\$1,564,612	\$1,635,020	\$1,635,020
Total Transfers Out	\$1,435,424	\$1,564,612	\$1,564,612	\$1,635,020	\$1,635,020
<b>Total Disbursements</b>	<b>\$63,440,244</b>	<b>\$74,493,654</b>	<b>\$68,968,504</b>	<b>\$84,741,579</b>	<b>\$84,741,579</b>
<b>Ending Balance<sup>2</sup></b>	<b>\$8,433,732</b>	<b>\$0</b>	<b>\$1,211,107</b>	<b>\$0</b>	<b>\$0</b>
General Fund	722,305	0	0	0	0
Bond Funds	7,711,427	0	1,211,107	0	0
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> As part of the *FY 2004 Third Quarter Review*, a reduction of \$4,950,000 in Virginia VTA 2000 bonds that were to be applied to Capital Construction in FY 2004 has been made, as these funds will not become available until FY 2005. County General Obligation Bonds available as part of the beginning balance were used instead. As a result of this action, the FY 2004 ending balance is projected to be \$1,211,107, a decrease of \$4,950,000 from the previous *FY 2004 Revised Budget Plan* level of \$6,161,107. An offsetting FY 2005 adjustment will be completed as part of the *FY 2004 Carryover Review* so there will be no net impact associated with this adjustment during the two-year period. However, for presentation purposes the FY 2005 adjustment has already been made on this Fund Statement.

<sup>2</sup> The sale of bonds is presented here for planning purposes only. Actual bond sales are based on cash needs in accordance with Board policy. On November 3, 1992, the voters approved a \$50 million referendum for Metrorail construction expenses. All remaining bonds pertaining to this sale have been issued and allocated to Metro's Infrastructure Renewal Program and Dulles Corridor transit projects as directed by the Board of Supervisors on March 8, 1999. Bond sales projected from FY 2004 onward will be allocated from \$31 million of remaining authorized but unissued 1990 Transportation Improvement Bonds. The change in the ending balance is the result of the issuance of these bonds in advance of cashflow requirements for FY 2004 and FY 2005.